

2016 Regular Session

HOUSE BILL NO. 1027

BY REPRESENTATIVE MONToucET

ENVIRONMENT/WASTE TIRES: Provides for the waste tire program

1 AN ACT

2 To amend and reenact R.S. 30:2412(4), 2418(I)(1) and (2) and (N) and to enact R.S.  
3 30:2418(K)(4), relative to waste tires; to provide for definitions; to provide for fees  
4 levied on certain tires; to provide for payments to certain waste tire processors; to  
5 require an evaluation of the volume of waste tires and the permitted capacity of  
6 waste tire management; to provide for permitting certain waste tire facilities; to  
7 provide for an effective date; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 30:2412(4), 2418(I)(1) and (2) and (N) are hereby amended and  
10 reenacted and R.S. 30:2418(K)(4) is hereby enacted to read as follows:

11 §2412. Definitions

12 As used in this Chapter, unless the context clearly indicates otherwise, the  
13 term:

14 \* \* \*

15 (4) "Medium truck tire" means a tire ~~weighing one hundred pounds or more~~  
16 ~~and~~ normally used on semitrailers, truck-tractor, semitrailer combinations or other  
17 like vehicles used primarily to commercially transport persons or property on the  
18 roads of this state or any other vehicle regularly used on the roads of this state.

19 \* \* \*

20 §2418. Waste tires

21 \* \* \*

1           I.(1)(a) The fee on tires authorized to be levied pursuant to R.S.  
2           30:2413(A)(8) shall not exceed ~~two~~ three dollars per passenger/light truck/small  
3           farm service tire, ~~five~~ seven dollars and fifty cents per medium truck tire, ~~and ten~~  
4           twenty dollars per off-road tire, and one dollar and fifty cents per retreaded tire. The  
5           secretary may provide for exemptions from the fees levied on the sale of tires  
6           pursuant to this Chapter in the regulations provided for in Subsection H of this  
7           Section for the sale of tires sold at wholesale and certain tires which are de minimis  
8           in nature, including but not limited to lawn mower tires, bicycle tires, and golf cart  
9           tires. After June 1, 2004, the secretary may provide for the exemption of certain tire  
10          sales from the fee which tires were not previously exempted only through the  
11          department's rulemaking authority, including legislative oversight as provided in  
12          R.S. 30:2413(A)(8).

13           **(b) The department is expressly granted the authority to adjust the fees and**  
14           **the minimum amount paid to waste tire processing facilities provided for in this**  
15           **Subsection after June 1, 2018, by an amount not to exceed the greater of four percent**  
16           **or the annual percentage change in the Consumer Price Index for All Urban**  
17           **Consumers (CPI-U) (All Items - U.S. City Average) maintained by the United States**  
18           **Department of Labor, Bureau of Labor Statistics. Adjustment determinations may**  
19           **be based on the percentage change from the latest fee adjustment and promulgated**  
20           **in accordance with the Administrative Procedure Act. Fees and the minimum**  
21           **amount paid to processors may only be adjusted in even numbered years.**

22           **(c) No person shall charge an amount above the fees authorized by this**  
23           **Subsection for the disposal, transporting, or processing of waste tires. However, the**  
24           **provisions of this Subparagraph shall not apply to the sale or marketing of recycled**  
25           **waste tire material or whole waste tires.**

26           (2) A permitted waste tire processing facility shall be paid a minimum of  
27           ~~seven and a half~~ eleven cents per pound of waste tire material that is recycled or that  
28           reaches end market uses or per pound of whole waste tires that are recycled or that  
29           reaches end market uses. All standard permitted waste tire processing facilities that

store waste tire material and have financial assurances as required in LAC 33:VII.10525(G)(14) shall be paid eighty-five percent of the total payment at processing and the remaining fifteen percent of the total payment once waste tire material reaches end market uses. This payment shall be made to the facility on or before the twelfth day of the month following the submission of the request for payment and shall be conditioned on the facility providing to the department any documentation, including but not limited to manifests, statements, or certified scale-weight tickets, required by law or by rules and regulations promulgated by the department.

\* \* \*

K.

\* \* \*

(4)(a) Not later than January 1, 2017 and every three years thereafter, the secretary of the Department of Environmental Quality shall evaluate the volume of waste tires managed in Louisiana that shall include waste tires generated, transported, managed, processed, stored, disposed of, or otherwise handled in the state. This evaluation shall also determine the available permitted capacity to manage waste tires. The secretary shall provide notice to the House Committee on Natural Resources and Environment and the Senate Committee on Environmental Quality and public notice and shall receive and consider comments of any evaluation of the volume of waste tires managed. This evaluation may be conducted in conjunction with the report required by Subsection J of this Section.

(b) The secretary shall consider the available permitted capacity in permitting facilities that manage waste tires. The secretary shall not issue a permit for a new facility for the processing of waste tires above fifteen percent of the total permitted capacity to process waste tires. The fifteen percent limitation shall be applied on an aggregate basis and shall not be applied individually to a certain facility. The fifteen percent limitation shall not be applicable during a response to

1

a natural disaster impacting the state where such limitation could significantly

2

impede or prevent the protection of human health and the environment.

3

\* \* \*

4

N. The secretary shall promulgate rules to make payments to processors on

5

the basis of ~~weight or tire count.~~ Payments Up to fifteen percent of a payment to a

6

waste tire processor, or any portion thereof, ~~shall not~~ may be temporarily or

7

permanently withheld or terminated ~~prior to~~ upon written notification by the

8

department of the reasons for such withholding or termination to the processor by

9

certified mail. Any such disputed funds shall be immediately placed in escrow

10

pending final resolution of the matter.

11

\* \* \*

12

Section 2. R.S. 30:2418(I)(1) and (2) as amended by Section 1 of this Act shall

13

become effective on October 1, 2016.

---

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

---

HB 1027 Original

2016 Regular Session

Montoucet

**Abstract:** Makes changes to the Waste Tire Program in the Dept. of Environmental Quality through increases in waste tire fees and changes to processors payments and definitions, and an evaluation of the volume of waste tires managed.

Present law provides that \$2 per passenger/light truck tire, \$5 per medium truck tire, and \$10 per off-road tire be collected for every tire sold. These fees are deposited into the Waste Tire Management Fund which is used to operate the waste tire program in the Dept. of Environmental Quality. One aspect of that program is to reimburse waste tire processors from the fund for recycling waste tires generated within the state.

Proposed law increases the fees in present law and adds a fee for retreaded tires as follows:

Tire Type	Present Fee	Proposed Fee
Passenger/light Truck/small farm service	\$2.00	\$3.00
Medium Truck	\$5.00	\$7.50
Off-road	\$10.00	\$20.00
Retreaded	N/A	\$1.50

Present law requires permitted waste tire processing facilities to be paid a minimum of 7½¢ per pound of waste tire material that is recycled or that reaches end market uses or per pound of whole waste tires that are recycled or that reaches end market uses.

Proposed law increases the minimum payment to processors from 7½¢ to 11¢ per pound.

Proposed law authorizes the department, in even numbered years, to adjust fees and the minimum payments made to processors after June 1, 2018, by an amount not to exceed the greater of 4% or the annual percentage change in the Consumer Price Index for All Urban Consumers (CPI-U) (All Items - U.S. City Average) maintained by the U.S. Dept. of Labor, Bureau of Labor Statistics.

Proposed law provides CPI-U adjustment determinations may be based on the percentage change from the latest fee adjustment and promulgated in accordance with the Administrative Procedure Act.

Proposed law prohibits charging an amount above the fees authorized by proposed law for the disposal, transporting, or processing of waste tires. This prohibition shall not apply to the sale or marketing of recycled waste tire material or whole waste tires.

Proposed law requires all standard permitted waste tire processing facilities that store waste tire material and have financial assurances as required by department rules and regulations be paid 85% of the total payment at processing and the remaining 15% of the total payment once waste tire material reaches end market uses.

Present law defines "medium truck tire" as a tire weighing 100 lbs. or more and normally used on semitrailers, truck-tractor, semitrailer combinations or other like vehicles used primarily to commercially transport persons or property on the roads of this state or any other vehicle regularly used on the roads of this state.

Proposed law removes the 100 lb. weight requirement from the definition.

Proposed law requires the secretary of the department to evaluate the volume of waste tires managed and determine the permitted capacity. Further requires the secretary to give notice to the oversight committees and the public and consider any public comments to this evaluation.

Proposed law requires the secretary to consider the available permitted capacity in permitting facilities that manage waste tires and prohibits the secretary from issuing a permit for a new waste tire processing facility above 15% of the total permitted capacity. The 15% is applied on an aggregate basis and not applied during a response to a natural disaster.

Present law authorizes the secretary to promulgate rules to make payments to processors on the basis of weight or tire count. Proposed law removes the authority to base payments on weight.

Present law provides that payments to a waste tire processor, or any portion thereof, shall not be temporarily or permanently withheld or terminated prior to written notification by the department with reasons by certified mail. Proposed law only allows up to 15% of a processor payment to be withheld or terminated.

Present law requires disputed processor payments to be immediately placed in escrow pending final resolution of the matter. Proposed law retains present law.

(Amends R.S. 30:2412(4), 2418(I)(1) and (2) and (N); Adds R.S. 30:2418(K)(4))